



37 Pratt Street Essex, CT 06426-1159
Phone: 860-767-7898 Fax: 860-767-7932

President's Message



Many of you know that every year Soundings Trade Only does an Industry Outlook where they ask various representatives of the boating industry to give their best idea of how their segment will fare in the coming year. This article appears in the January issue and as the NMDA President I had the opportunity to respond on behalf of distributors and our manufacturing and rep members. Since we have more space here in the Journal I have taken the time to expand on some of the ideas that you will find briefly mentioned in the January issue of Trade Only.

As President of the National Marine Distributors Association I am modestly optimistic for continued growth in the recreational boating industry for 2006. This belief comes from my view of doing business primarily in "Middle or Central Time Zone" America as well as various other gathered perspectives in and outside our industry. On the positive side, a recent Kiplinger report noted that "outdoor activities" are at an "all time high" with a continued bullish future. Those activities include recreational boating, fishing, ATV's, and hunting. Wall Street has supported this trend by "financing" the recent expansion of companies involved in these activities.

From my study of history (including demographics), the spending by the "Boomer" generation will continue to grow our industry, if we as an industry treat them right! A more recent trend is the growing affluence of generation "X" with their strong desire to balance family and work better than "workaholic" Boomers. Will their strong time desire with family translate into boat purchases? Time will tell.

I am personally very bullish on the rising "Y" or "Millennium" generation (born from 1982 to 2000). Their massive population numbers, work/study ethic, and strong interest in outdoor activities in general dwarfs "Gen X." The GROW BOATING Campaign is vital in reaching and making a positive impression on "Boomers" and "Gen X" alike. Also with the right influence at a young age on the positive aspects of boating, "Gen Y" could have the greatest long term positive impact on our industry.

On the challenging side, some dealers struggled with selected boat categories and motors this season. The devastation of both hurricanes, Katrina and Rita, on the Gulf Coast region will last longer than Washington D.C. thinks. Short term interest rates have grown significantly higher and will have a negative impact on all levels in the marine supply chain, as well as consumer financing. The very recent up tick in long term rates bothers me even more, because of the future implied inflation

continued on page 3

2006 Strategic & Executive Conference

With the New Year comes the return of the Executive Conference, held this year March 28 - April 1, 2006 at the Embassy Suites La Jolla, California. The Strategic Conference (March 25 - 28) will immediately precede the Executive Conference and all NMDA members are welcome and encouraged to attend both.

As you may recall, the Board decided in 2004 to hold only two events in 2005, S.T.E.P. Purchasing and S.T.E.P. Training with the idea that the timeframe used for the Executive Conference would be filled by S.T.E.P. Training. Based on the calls that came to the office, there were many NMDA members who missed the Executive Conference so we anticipate very good attendance at this upcoming event.

Since its inception in 1982 the Executive Conference has undergone changes - in its name and its design, but its purpose has always remained the same. This is THE event for distributors and suppliers to meet in private, closed door sessions to discuss strategic planning, long range goals, new product/concept ideas and more.

When new members join it is one of the hardest events to sell - until the first time the firm attends. Once they actually participate in the conference it becomes a "must do". We find that for distributors, suppliers and reps setting aside this time, at the beginning of the season is invaluable.

Do you know that you will be having a delivery problem for the coming season? Why not discuss it at this meeting, and make arrangements that will work for all parties involved? Have an idea for a new product but you don't want to have it out "in the public yet"? Why not ask your customers what they think about it, after all you will have many of your customers in one place for this conference. Do you have a customer or a vendor that does something really well that you wish others would implement? Why not share it here with your customers or vendors. Are you concerned about the direction of a particular segment of the industry? Why not use this time to address your concerns?

Through the years distributors and suppliers alike have asked the NMDA office for copies of the Supplier of the Year ballot

continued on page 2

Executive Conference, continued from page 1

and criteria which they then use to evaluate each other's performance during the past year. If you would like a copy, please let the NMDA office know. One will be sent out to you.

The Strategic Conference immediately precedes the Executive Conference and is the time for you to add your input. This event is open to ALL NMDA members, whether you are a distributor, manufacturer or rep, board member or not. The more input we have from the membership the more likely it is that NMDA will be what you need and want it to be.

The Board of Directors will meet on Sunday and Tuesday with committee and task force meetings held on Monday and Tuesday. These meetings will include Supplier of the Year, S.T.E.P. (both Purchasing and Training), Membership, Standards and MDX.

Group activities will be planned for Saturday evening (Arrival Reception), Sunday afternoon (perhaps a whale watching cruise or Sea World) and Monday evening during the Strategic Planning Conference. Last year during the Strategic Conference evening event, a Boat Building contest was held. For Monday evening in La Jolla we have an event planned that will be the impetus for much laughter, good company, good food, good wine and a good time! We could tell you what it is, but that would take some of the fun out of it. Suffice it to say, if you have ever watched the Food Network you have an idea of what we have planned. Just a bit of "team building" once again.

The Executive Conference will begin on Tuesday evening with an Opening Reception at the Embassy Suites. Meetings will begin promptly at 8 AM Wednesday morning and end at Noon on Wednesday. Afternoon events have been planned and include a fishing event sponsored by Lowrance Electronics and a golf outing at Torrey Pines.

For the golfers in the group, Torrey Pines is the home to the Buick Invitational PGA Golf Tournament and will be the site of the 2008 US Open. We have secured tee times on Wednesday, March 29 and will be putting together a golf tournament if we have enough interest from the attendees.

Lowrance is arranging fishing, which we anticipate will be out of Mission Bay (about 5 miles from La Jolla). Unlike past years with pro staff and two or three people on a boat, this will more than likely be everyone in a group. Details are being finalized as this issue goes to the printer, specifics will be included in the registration packets which will be mailed soon.

The Executive Conference will continue from 8 AM to 6 PM Thursday and Friday with lunch provided as part of your registration fee, both days. Being an Embassy Suites a full cooked-to-order breakfast is included in the \$155/night room rate as well as the afternoon Manager's Reception.

Make your plans now to attend the 23rd Annual Executive Conference in La Jolla. Flights should be booked into San Diego, the hotel can be reached via cab or Cloud 9 shuttle.



Detailed information will be in your registration packet.

Dues Due

Just a reminder that your dues are now past due. Dues to NMDA are due and payable at the beginning of the fiscal year which is October 1.

You cannot attend or participate in any NMDA events unless your dues are current. If you have any questions about the status of your membership please contact the NMDA office.

A tentative schedule is as follows:

Saturday, March 25, 2006

AM Day on your own
PM Opening Reception for Strategic Planning Attendees

Sunday, March 26, 2006

8 AM - 12 Noon Board Meeting #1
PM Informal Group Activities will planned

Monday, March 27, 2006

9 AM - 12 Noon Committee/Task Force Meetings
12 Noon - 1 PM Lunch for those attending Strategic Planning Conference
1 PM - 5 PM Committee/Task Force Meetings
6 PM - 10 PM Dinner

Tuesday, March 28, 2006

9 AM - 12 Noon Board Meeting #2
PM Opening Reception for Executive Conference

Wednesday, March 29 2006

8 AM - 12 Noon Executive Conferences begin
12 Noon - 6 PM Golf & Fishing will be available
PM On your own

Thursday, March 30, 2006

8 AM - 12 Noon Executive Conferences continue
12 Noon - 1 PM Lunch will be served
1 PM - 6 PM Conferences resume
PM On your own

Friday, March 31, 2006

8 AM - 12 Noon Executive Conferences begin
12 Noon - 1 PM Lunch will be served
1 PM - 6 PM Conferences resume
PM On your own

Saturday, April 1, 2006

AM Hotel Check Out

NAW Update

NAW (National Association of Wholesaler Distributors) filed an amicus brief (friend of the court) in California late last year in a case challenging a California state statute which imposed a California drop shipment tax on some out-of-state wholesaler distributors.

The appellate court ruled in favor of the California Board of Equalization in support of the statute, and the case is now being appealed to the California Supreme Court.

This case could be of vital interest to ANY wholesaler-distributors who drop ship into California, and if the challenge of the California statute is not successful, other states could well follow suit and adopt similar tax laws affecting our industry.

Because of the importance of this case, NAW has filed an amicus brief in the California Supreme Court.

To read the NAW Legal Advisory, "NAW Files Amicus Brief Challenging the Application of California's Drop Shipment Tax to Out-of-State Wholesaler-Distributors," and to view the amicus brief, go to:

<http://www.naw.org/amicus>

We will keep you posted on the outcome of this case.

President's Message continued from page 1

expectation. Higher energy costs also obviously hurt our industry. So if you personally know any energy future traders, persuade them by any means possible to leave the industry.

With the majority of our member distributor shows over, the general reports I heard about these shows have varied from modest to very good results. Some of our supplier members have said the shows were great all around the country while others felt that some shows were better than others.

Guarded optimism would my best summary description. The clear trend of dealers, marinas and service outlets will be to use distributors as their stocking warehouse. With good pre-season and in-season service levels, which are critical for both distributors and manufacturers, we will be able to help Grow Boating in 2006 and beyond.

I would also like to remind each of you of the importance of the upcoming Strategic Planning and Executive Conference. Medart uses this event for vendor strategy meetings and I cannot stress how important they are for our annual planning process.

Several distributors use the Supplier of the Year program and actually review their suppliers previous years performance. The NMDA office would be more than willing to send you (either supplier or distributor) copies of the "report card" from the Supplier of the Year program for you to use during your meetings.

The opportunities for networking extend throughout the week. There will be a fishing event on Wednesday afternoon, as well as a golf outing that same day. Lowrance Electronics has once again agreed to sponsor our fishing outing and Nancy has been able to set up a golf event at Torrey Pines.

Yours in Success and Fun,

Michael Medart
NMDA President and
President, Medart Marine

A more recent trend is the growing affluence of generation "X" with their strong desire to balance family and work better than "workaholic" Boomers. Will their strong time desire with family translate into boat purchases?



NMDA and NMMA are committed to the widespread adoption of the Marine Data Exchange (MDX) and with that goal in mind is offering NMDA members the services of

Norm Katz of Katzscan, Inc., an independent supply chain consultant, to assist member companies in implementing the MDX program. There is no cost to you to use Norm, this is being underwritten by NMMA in an effort to get the program up and running.

Distributors and manufacturers have been meeting for two years and have had as their goal a workable program for all companies regardless of your level of technology. MDX was designed to allow flow through communications of business documents, such as purchase orders, invoices, advance shipping notices as well as engineering drawings and more. The program has no transaction fees, only an initial fee for the software and a minimal annual fee for the maintenance of the servers and software updates.

The benefits of the program are many and include increased supply chain efficiencies, more accurate shipping and invoicing, elimination of duplication of efforts (no need to key in orders off a fax, orders are entered once), and verification of shipments. The timeliness of invoicing and payments is also greatly improved.

A PowerPoint presentation, which provides an overview of the MDX program is available at www.nmma.org/mdx (under "downloads" section). Norm Katz can be reached via email at nkatz@nmma.org or by telephone at 954.942.4141. You can also contact Nancy Cueroni of NMDA at 860.767.7898 or Janice Ilg of NMMA at 312.946.6217.

Upcoming NMDA Events

PLEASE NOTE DATES FOR STRATEGIC & EXECUTIVE CONFERENCE

2006

STRATEGIC PLANNING

(TO BE HELD IMMEDIATELY PRECEDING EXECUTIVE CONFERENCE)

March 25 - 28, 2006

Embassy Suites
La Jolla California

2006

EXECUTIVE CONFERENCE

March 28 - April 1, 2006

La Jolla California (Same hotel as above)

2006

S.T.E.P. PURCHASING AT MAATS

July 17 & 18, 2006

Las Vegas Hilton
Las Vegas Nevada

PLEASE NOTE 2006 DATES for S.T.E.P. Training

2006

S.T.E.P. TRAINING

December 12 - 15, 2006

TradeWinds Island Grand
St. Pete Beach FL

2007

S.T.E.P. PURCHASING AT MAATS

July 16 & 17m 2007

Las Vegas Hilton
Las Vegas Nevada

Sponsorship Opportunities



Once again Lowrance Electronics has agreed to sponsor the Wednesday afternoon fishing event at the upcoming Strategic Planning & Executive Conference in La Jolla in March.

The choices are endless, the results measurable. Why not join them and take advantage of getting YOUR company name in front of your customers.

We would welcome your ideas or can offer you choices. Some of the "usual" events are coffee on the conference floors during the Executive Conference, sponsoring the hors d'oeuvres during the Opening Reception or agreeing to be one of the lunch sponsors.

Information on sponsorship possibilities will be included in the registration packets going in the mail soon!



December in St. Pete

Mark your calendars now and make your plane reservations to attend S.T.E.P. Training at TradeWinds Island Grand from December 10 - 14, 2006. Based on members' requests we moved S.T.E.P. Training from August to the winter months and in 2005 we held it in January. While the timing was better than August, many of you asked if we could move it to the end of the year rather than the beginning when the consumer shows started. So we did.

While the hotel was good, the meeting rooms in Banyan Breezeway were not great. So we changed them. We have contracted with the hotel to remove the furniture from selected hotel rooms and we will have a floor (or two if needed) of meeting rooms set up with chairs and display tables. We will be utilizing the same hotel meeting space that we had this past year, but the additional 30 or so training rooms will NOT be in Banyan Breezeway but will be in the Jacaranda Building, a short walk from the "regular" meeting rooms.

THE TENTATIVE SCHEDULE IS AS FOLLOWS:

Sunday, December 10, 2006

Arrival of attendees
6 PM - Reception

Monday, December 11, 2006

8 AM - 6 PM S.T.E.P. Training Sessions
(lunch included with registration)

Tuesday, December 12, 2006

8 AM - 1 PM S.T.E.P. Training Sessions
1PM - 2 PM Lunch
2 PM - 4:30 PM General Session/Speaker
4:30 PM - 9 PM Beach Olympics/Dinner
(included with registration)

Wednesday, December 13, 2006

8 AM - 6 PM S.T.E.P. Training Sessions
(lunch included with registration)

Thursday, December 14, 2005

Travel home

THE ROOM RATE AT THE TRADEWINDS WILL BE \$125/NIGHT FOR A REGULAR ROOM AND \$155/NIGHT FOR A SUITE. WATCH YOUR MAIL AND THE WEBSITE FOR MORE INFORMATION!

Cost Study

Just a reminder for our Distributor members. The Annual Cost Study survey will be going out shortly after the first of the year. The actual survey questions have been modified based on YOUR requests after last year's study. The more companies that participate the more statistically accurate the results are. If you have any questions about the Cost Study, Steve Pressman of Kellogg Marine is the chairman of the group and he would be more than willing to answer your questions.

National Marine Distributors Association
37 Pratt Street
Essex CT 06426-1159
Tel: 860.767.7898 Fax: 860.767.7932
Email: info@nmdaonline.com
Website: www.nmdaonline.com

Printed and Published by:
Image One Technologies
570-374-6402
www.image1tech.com



Distributor Show Dates

McGill Distributors

2006 Dealer Show
January 11 & 12, 2006
Kingstree National Guard Armory
Kingstree SC

Coast Distribution Dealer Show

Coast Advantage Buying Show
February 8 & 9, 2006
Rio Suites
Las Vegas NV

Fox Marine Supply

Fiesta Del Zorro
September 21, 2006
Renaissance Esmeralda Resort & Spa
Indian Wells CA

Bell Industries

September 27 & 28, 2006
Kalahari Resort & Water Park
Wisconsin Dells WI

C.C. Marine Distributors Dealer Show

October 1 & 2, 2006
International Centre
Mississauga ON Canada

Northern Wholesale Supply

2006 Annual Marine Super Show & Dealer Conference
October 3 & 4, 2006
Embassy Suites
Bloomington MN

Medart Marine Dealer Show

October 2006
St. Charles Convention Center
St. Charles MO

Land 'N' Sea

October 2006
Radisson Hotel at Star Plaza
Merrillville IN

Keller Marine Dealer Show

October 24 & 25, 2006
Valley Forge Convention Center
King of Prussia PA

MESCO & Seacoast Dealer Show

43rd Annual Dealer Trade Show
November 1 & 2, 2006
Atlantic City NJ

Marine 1One Dealer Show

November 6 & 7, 2006
Stardust Hotel
Las Vegas NV

Morgan Recreational Supply

November 8 & 9, 2006
Turning Stone Resort
Verona NY

Kellogg Marine Supply Dealer Trade Show

November 15 - 17, 2006
Mohegan Sun Casino
Uncasville CT

Payne's Marine Supply Group

November 19 & 20, 2006
Victoria Conference Centre
Victoria BC Canada

Please check our website www.nmdaonline.com for additions and updates!